

Message Text

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PAGE 01 NASSAU 00866 222330Z
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 (ISO) W
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R 211720Z APR 78
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E.O. 11652: N/A
TAGS: BEXP, BF, EMIN, EINV
SUBJ: WTDR/FTI REQUEST - BAHAMA CEMENT COMPANY LTD.

REFS: (A) USDOC 07119 (B) NASSAU 0500 (C) LUXEMBOURG 0359
(D) NASSAU A-12

1. THE BAHAMAS
OFFICE USE: 2. 236 3. N.A. 4. ,.A.
5. BAHAMA CEMENT COMPANY LTD.
6. P.O. BOX F-100; HARBOUR AREA
7. FREEPORT, GRAND BAHAMA
8. CONTACT: JAMES E. JENKS
9. TITLE: PRESIDENT 10. PHONE: (809) 352 6601
11. TELEX: NOT KNOWN 12. CABLE: NOT KNOWN
13. ESTABLISHED: 1964 14. EMPLOYS: 125 15. SIZE: LARGE
16. REPUTATION: Y-EXCELLENT 17. REPORT DATE: 04/78
OFFICE USE: 18. N.A. 19. NA 20. X 21. N/A 22. N/A
23A. 32410/034 MANUFACTURER, DISTRIBUTOR AND EXPORTER
OF PORTLAND CEMENT
24. FOREIGN SALES AREA: UNITED STATES.
25. FINANCIAL REF: CANADIAN IMPERIAL BANK OF
COMMERCE, P.O. BOX F-2556, FREEPORT, GRAND BAHAMA,
THE BAHAMAS.
26. TRADE REFS: N/A
27. REPRESENTS NO FOREIGN FIRMS OR LICENSORS.
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28. POST EVALUATION: BAHAMA CEMENT WAS THE ONLY
CEMENT PRODUCING FIRM IN THE BAHAMAS, EXPORTING MOST
OF ITS PRODUCT TO FLORIDA BUT AT THE SAME TIME SUPPLYING
MOST OF THE BAHAMAS' CONSTRUCTION INDUSTRY'S NEEDS.
IN MAY 1977 IT TOTALLY CEASED PRODUCTION OF PORTLAND
CEMENT AND CLINKER AND CLOSED AT THAT TIME, DUE TO
UNABATED HIGH COSTS OF PRODUCTION, PARTICULARLY FUEL

OIL BUT CONTINUED TO SELL CEMENT FROM ITS STOCKPILE UNTIL AUGUST 1977 UNTIL ITS STOCK WAS EXHAUSTED. IT IS BELIEVED THE SUDDEN COLLAPSE OF THE BUILDING INDUSTRY IN FLORIDA AND THE SOUTHEAST UNITED STATES IN GENERAL PRECIPITATED AND ACCELERATED THE COMPANY'S STEADY DECLINE IN THE EARLY SEVENTIES. THROUGHOUT THE 1960'S THE COMPANY HAD BEEN THE MAIN SUPPLIER OF CEMENT TO NORTH AMERICAN EAST COAST TOWNS, PARTICULARLY IN FLORIDA. AT THE HEIGHT OF ITS PRODUCTION THE PLANT WAS REPORTED TO PRODUCE OVER ONE MILLION TONS OF CEMENT ANNUALLY. RESUMPTION OF PRODUCTION IS PLANNED AND MANAGEMENT HOPES IT WILL REOPEN DURING 1978 (NO SPECIFIC DATE HAS BEEN ANNOUNCED); MEANWHILE, OVER 100 EMPLOYEES ARE AT WORK AT THE PLANT. RECENTLY THIS DOLS 75 MILLION WHOLLY-OWNED SUBSIDIARY OF UNITED STATES STEEL WAS SOLD BY THEM TO INTERNATIONAL DEVELOPMENT CORPORATION S.A. - A LUXEMBOURG HOLDING COMPANY ESTABLISHED IN MAY 1977 (SEE REF (C)). THE FREEPORT PLANT CONSISTS OF A QUARRY, RAW-MATERIAL RECEIVING, HANDLING AND STORAGE FACILITIES, A PRIMARY CRUSHER, RAW GRINDING MATERIALS, CLINKER-BURNING KILNS, FINISH GRINDING MILLS AND STORAGE SILOS EQUIPPED FOR LOADING BULK CEMENT OR FOR PACKAGING THE PRODUCT. IT HAS, IN ADDITION, THE NECESSARY AUXILIARY FACILITIES TO PROVIDE POWER, WATER, MAINTENANCE AND ADMINISTRATIVE SERVICES. THE FIRM'S DOCKING FACILITIES ARE COMPRISED OF A SLIP 1,365 FT. UNCLASSIFIED

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LONG BY 340 FT. WIDE WITH A 30 FT. DEPTH. ITS AFFILIATED FIRM, ISLAND CEMENT COMPANY LTD., WHICH OPERATES FROM THE SAME PREMISES, OWNS A 2000 D.W.T. VESSEL WHICH SHIPS THE CEMENT TO THE UNITED STATES WHEN THE PLANT IS PRODUCING. BAHAMA CEMENT ALSO CHARTERS VESSELS TO SHIP CEMENT WHEN THE DEMAND FOR EXPORTING REQUIRES THIS EXTRA SHIPPING. A DOCKSIDE CRANE UNLOADS INCOMING SILICA SAND, GYPSUM, BAUXITE AND IRON ORE FROM OCEAN-GOING BARGES AND BULK CARRIERS. THE FIRM IMPORTS BASIC MATERIALS AND MAKES THE CEMENT FROM LIMESTONE (SOME OF WHICH IS QUARRIED LOCALLY). THE COMPANY HAS ALWAYS BEEN CONSIDERED HIGHLY RESPONSIBLE FOR ITS NORMAL TRADE COMMITMENTS UNDER ITS PREVIOUS OWNERS BY THE LOCAL BUSINESS COMMUNITY. HOWEVER, AS LITTLE IS KNOWN LOCALLY ABOUT THE NEW OWNERS AT THIS TIME, (REF C), SOME CAUTION MIGHT BE EXERCISED BY NEW CONTACTS WHEN INITIALLY DEALING WITH BAHAMA CEMENT.

29. PREPARED BY: CYNTHIA J. GIBBONS - ECON ASST.;

APPROVED BY: JOHN M. GARNER - ECON.

SCHWARTZ

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Message Attributes

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Disposition Approved on Date:
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Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
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